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Hispanic BUSINESS

Fast Moves in a Slow Season

The 100 Fastest Growing Companies

Hispanic BUSINESS

August 1991 Volume 13, Number 8

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George Loera's consulting firm is the second fastest growing company.

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So far Ramon Quintero is the only White House Conference state chair.

BPA MEMBERSHIP APPLIED FOR 1/90.

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ProServe Inc. CEO Joe Aragon. Photo by Dave Neligh. Cover design by Buffalo Brothers Studios West.

DIRECT LINE

On the heels of an extraordinary effort by the Hispanic business community to influence congressional fast track authorization for negotiation of a free trade agreement with Mexico, the White House on July 1 found a remarkably insensitive way to say thanks.

The White House announcement on that black Monday regarding the Supreme Court nomination was essentially a public announcement that merit had been brushed aside in favor of political hardball.

It stands as a sterling lesson that should be—must be—highlighted in this country's schools, including the elementary grades. Hispanic teachers at all levels ought to spend considerable time dwelling on the meaning of the July 1 decision in all of its ramifications. To teach the children at a very early age about the real world. To prepare them.

William Schneider of the American Enterprise Institute called the nomination "a worse than tokenism choice." Worse. Calls around the country to lawyers and professionals in government, to persons who have been true-blue supporters of the Administration, produced the same response: indeed universal dismay.

The only respectable alternative that remains is to fight the confirmation of the nominee vehemently. To write as many letters and make as many calls as it takes to congressional representatives and senators to block this abominable nomination.

No wonder the place to be in the 1980s and 1990s has been business rather than politics or government. Creative energy is best spent grappling with the markets. Where you can see results and a return on your investment.

That's why the annual 100 Fastest Growing Companies issue has always been one of my favorites. This is our chance to zero in on some of the most innovative and vigorous entrepreneurs in the country, and there's always something to learn.

This year we were taken aback. In a recessionary period marked by the need for realistic projections, these 100 companies are astonishing.

Starting from total sales of $156 million in 1986, they were at $1.1 billion four years later. That's 608 percent growth, and it's a record.

The fastest growing firm of all is McBride & Associates Inc. of Albuquerque. This computer systems and services firm headed by CEO Teresa McBride posted growth of nearly 5,000 percent between 1986 and 1990—a rate of growth so intense it dizzies the mind.

But then the fastest growing list is not a place you'd want to be if you're bothered by heights. Managing a company that's moving this fast is like being on a circus high wire. You're on top, everybody's watching, balance is crucial, and you can fall at any time.

In fact when you cut through the dazzle of it all, it's excellent management that got these companies where they are. And it's really good management, not growth, that this issue is all about.

In line with that theme, we also examine a management process for achieving continuous quality improvements that's now gaining favor in the United States after several decades of success in Japan (see "When the Guru Came Home").

Quality. At least it still matters in the private sector.

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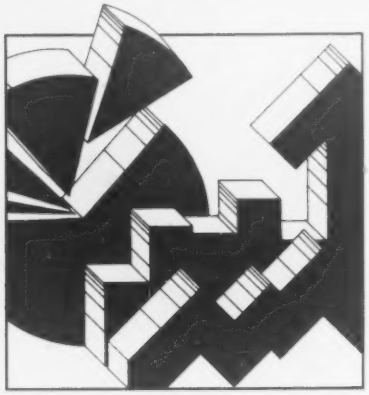


Credit Unions: Doing Just Fine!

America's credit unions were scrutinized recently and passed with flying colors. According to a newly released study entitled "The Credit Union Industry: Financial Condition and Policy Issues," deposits at federally insured credit unions are safe and sound, and present no threat to taxpayers. The authors of the study, economists James R. Barth and R. Dan Brumbaugh, say that the credit unions' $2 billion insurance fund has the strongest equity to insured risk ratio of any type of financial institution. In other words, even if a few credit unions should fail, the credit union reserve would be sufficient to repay depositors without taxpayer assistance. "Although credit unions have roughly doubled their equity in home real estate in the past decade," explains Mr. Barth, "they have stayed away from high risk commercial real estate, leveraged buyouts, and international debt loans, with which banks are currently struggling."

Capital Available to Minority Businesses

A trade association and an investment management company have joined forces to create a $200 million fund to provide capital to minority entrepreneurs. The National Association of Investment Companies (NAIC), which represents more than 150 venture capital funds, and Bigler Investment Management Company, a Farmington, Connecticut-based firm that manages venture capital programs for 29 institutions, plan to set up the fund by late fall, and have minority group members manage it once in place. "Capital for minority businesses has been scarce," observes JoAnn H. Price, NAIC president. "This venture offers tremendous opportunities to existing entrepreneurial talent in the marketplace." The multi-million dollar project comes at a time when public service pension funds and some private corporations with a large minority workforce are under pressure to offer financing to minority-owned businesses.

Mutual Funds in Plain Terms

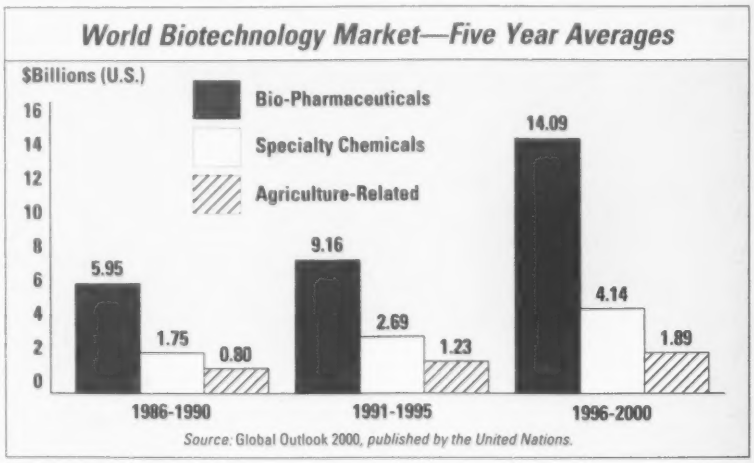
American Capital Management & Research—a Houston-based mutual fund investment firm—has released two booklets on the basics of mutual funds. Available free of charge, the first booklet, entitled "Benefits of Mutual Fund Investing," explains the nature of mutual funds and the types of funds available to investors, and gives tips on how to choose a fund to fit one's needs and expectations. The second booklet, "The language of Mutual Fund Investing," is a glossary of financial terms commonly used to describe the characteristics of particular funds. "A lot of information out there is confusing," says Sheila Horn, vice president and director of corporate communications at American Capital. "We want the public to understand what mutual funds are, so that they can decide if it's the kind of investment they are looking for."

Biotechnology is In

In its report entitled "Global Outlook 2000," the United Nations projects that commercial output of biotechnology products such as biopharmaceuticals and new chemicals for agriculture will grow by 9 percent a year to reach $20 billion in worldwide sales by 1996. Products may range from synthetic molecules used for storing computer information, to bovine growth hormones used to increase milk production. Close to 200 companies are involved in biotechnology research in the United States at the moment. Should one rush and invest in them? "I recommend less than 10 of them right now," emphasizes Jeffrey Casdin, senior vice president of the New-York based brokerage firm of Oppenheimer & Company. "It's a high risk, high capital, very complex field. If you are careful and invest in a successful company, it can become extremely profitable. But any investor should view biotechnology companies as long term buys."

Let's Keep it in the Family

A reminder from Coopers & Lybrand (C&L), a New York-based mergers and acquisitions group: a business is now treated like any other asset of a business owner's estate in a succession. "Federal estate taxes, currently reaching 55 percent, are applied to all the property of a business owner upon his or her death," explains Ed Granski of C&L. "The tax liability can greatly affect the continued success of the business." A U.S. citizen and resident has a credit of $192,800 against estate tax, which shelters $600,000 of a person's assets from tax. But, says Mr. Granski, business owners' estates usually amount to more than that. Some planning methods—special use valuation, deferral of taxes—can reduce the impact of the future tax, as long as such methods are integrated into a comprehensive estate and business plan prior to the owner's demise.



BREAKING THE SPEED

While American business slipped deeper into the downturn last year, the 100 fastest growing Hispanic-owned companies shifted into hyperdrive.

The total sales of these 100 companies zoomed up 608 percent in the four-year period 1986 through 1990—a rate that exceeds any tabulated in the seven years HISPANIC BUSINESS has been clocking company growth. Last year, for example, the companies that made our 100 fastest growing list had increased 390 percent during the preceding four years.

There is no ready explanation for the energy of the 100 during this period of sluggish national performance. Neither is there a quantifiable explanation for the vigorous health of America's Hispanic business sector overall. As we reported in June, the total sales of the HISPANIC BUSINESS 500 grew 8.1 percent last year, outpacing all the typical market indexes including an anemic 1 percent increase in the GNP.

We have been besieged by media representatives asking us to explain this phenomenon. Now the unprecedented record of

TOP 10 *Companies by Growth, 1986-1990*

	Company	1986 Sales $Million	1990 Sales $Million	Percent Increase	Description
1	McBride & Associates Inc.	$.33	$16.96	4,970%	Computer Products/Services
2	Chicago United Industries Ltd.	.12	4.99	4,058	Municipal Contract Consulting
3	ProServe Corp.	.16	6.48	3,930	Food Service
4	CareFlorida Inc.	1.50	60.00	3,900	Health Insurance
5	HJ Ford Associates Inc.	.12	4.50	3,650	High-Tech Engineering Systems
6	Deneba Systems Inc.	.19	6.12	3,112	Microcomputer Software Mfg.
7	La Pizza Loca Inc.	.35	10.00	2,757	Pizza Restaurants
8	Uniglobe Advance Travel	.11	3.07	2,717	Travel Service
9	T.R. Companies	.50	12.50	2,382	Fin./Ins./Comp. Services, Emp. Leasing
10	Hernandez Engineering Inc.	.56	12.27	2,104	Engineering Services

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Teresa McBride, CEO of McBride & Associates in Albuquerque, runs the fastest growing Hispanic-owned company in the country—with 1990 sales of $17 million in computer systems and support.

this year's 100 fastest growing companies will no doubt renew the speculation.

We do know that most of the 100 companies are young. Also, from talking with their CEOs we know they have strong, flexible entrepreneurs at the wheel, ready to detour and find better ways of doing things—right now. Many of them have exploited new market needs. They share an astounding work ethic. And most of them began by risking everything, including the house or family car if necessary, for a chance to make their visions real.

Importantly, HISPANIC BUSINESS establishes a minimum baseline sales requirement of $400,000 in the first year of measurement to avoid including companies that showed phenomenal growth because they started from a very low base. Furthermore, by considering performance over a period of five years, we can sift out firms that don't survive the start-up phase, and discount quick or one-time growth spurts.

But sales are one thing—profitability is another. The 100 fast growing businesses have been profitable too. Twelve of them report returns on sales of 16 percent or more; another 40 fell in the 6 to 15 percent profit range; and 37 earned 2 to 5 percent. Only one company reported a loss in 1990.

Maybe because the 100 were managing for maximum growth and reach rather than consolidating, total current employees increased from 12,720 for last year's list to 13,636. And productiv-

TOP 10 *by Sales*

	Company	1990 Sales $Million
1	Cal-State Lumber Sales Inc.	$104.02
2	CareFlorida Inc.	60.00
3	RIO Enterprises Inc.	59.72
4	Pacifica Services Inc.	55.70
5	Colsa Inc.	46.02
6	Gato Distributors	39.07
7	Advanced Sciences Inc.	38.72
8	Vincam Group Inc. (The)	32.60
9	TAMSCO	31.60
10	Microretailing Inc.	26.00

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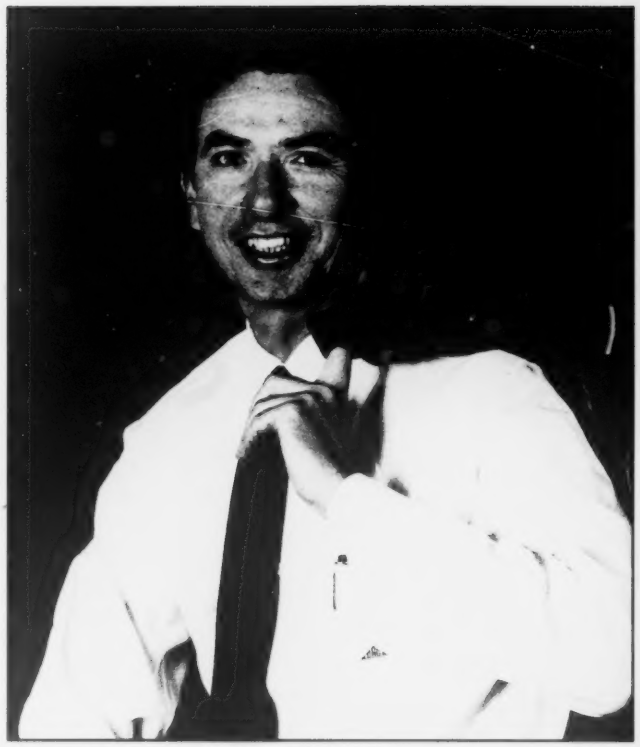
THE 100 FASTEST GROWING COMPANIES



Jorge Alducin propelled HJ Ford Associates Inc., a Virginia-based engineering company supporting remote controlled military robotics, to fifth place on the fastest growing list.

ity—sales per employee—declined to $80,826 in 1990, from $88,841 for last year's group.

The composition of the 100 changed too. Although 41 of the companies in last year's 100 made it again this year, a look at sales by industry sector shows a shift. The service sector increased from 38 to 51 percent of total sales (and from 40 to 44 companies). Manufacturing grew from 7 to 12 percent of sales (from 7 to 17 companies). Construction shrank from 17 percent to 6.5 percent (from 17 companies to 11). The finance sector, which claimed three companies last year, is not represented at all.

Geographically, about half of the fastest growing companies are clustered in three sunbelt states—Florida with 21, California with 19, and Texas with 14. The Miami area alone accounts for 19 companies, Los Angeles for 12, and Houston nine, which is pretty impressive for that struggling city.

While Los Angeles was home to all but one of the California firms in 1990, the state's hottest companies are more dispersed this year. San Diego, a key city for companies contemplating escalated international trade with Mexico, has three of them, including the biggest firm on the list—Cal-State Lumber Sales Inc.

Cal-State is a wood products import/export company that grew from $9 million to $14 million between 1986 and 1989. Then last year, when the company finished its plant in Tijuana, "sales went like a rocket" says CEO Benjamin Acevedo, to more than $104 million. Even at that, Cal-State ranked only 23 on the 100 in terms of percent growth.

Number 1 on the listing is McBride & Associates, a $17 million Albuquerque-based computer equipment and services firm with compound annual growth of 167 percent since 1986. This company, which moved up from number 3 on the listing last year, is headed by 29-year-old Teresa McBride. Ms. McBride claims her company has if anything benefited from recession. Companies tend to contract for outside computer services in hard times rather than adding to full time staff, she says.

Meanwhile, McBride & Associates itself is now staffing up to support some new contracts, which its young CEO attributes to the beginning of an economic upturn. "We're busy getting ready," she says simply.

The second fastest growing company is Chicago United Industries Ltd., with compound annual growth of 154 percent and sales of $5 million. Like Ms. McBride's company and perhaps the majority of firms on the list, Chicago United's success depends on its skill in securing contracts. "I sell products to government agencies—everything from A to Z," says CEO George Loera. "Some people are afraid of these big bureaucracies; think they're too hard to deal with. But you just have to look through the smokescreen to ascertain what they want." Mr.

Percentage of Total Sales by Industry, 1990

Industry	Sales $Million	Percentage
Service	$557.63	50.60%
Food	45.92	4.10
Construction	71.50	6.49
Transportation	16.42	1.49
Wholesale	205.06	18.61
Manufacturing	132.55	12.03
Retail	66.07	6.00
Diversified	7.00	.64
Finance	.00	.00
	TOTAL	**$1,102.14**

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THE 100 FASTEST GROWING COMPANIES

Loera started out to be a consultant, not a contractor. But his initial attempts to help other companies prepare bids for contracts with municipal agencies in the Chicago area met with failure. "Being naive, I didn't realize there would be a lot of opposition to the new kid on the block," he remembers. "You can't keep knocking your head against the wall, so I shifted gears."

And finding bureaucratic smokescreens easier to get through than brick walls, the company now gets 90 percent of its revenues from public sector contracting.

The third fastest growing company, Denver's ProServe Corp., is a food service contractor. ProServe, with $10 million in annual sales and 152 percent annual growth, owes its success to an emphasis on quality at low cost. Proserve has focused on government and military contracts since its founding in 1985, and won an award last year for providing the best Air Force base food service program in the world.

The next step, says CEO Joe Aragon, is to pursue private sector contracts, competing on cost with the established national food service giants.

CareFlorida Inc. is a health maintenance organization (HMO) that got to be number 4 in growth by grasping opportunities in the fast evolving health care industry. With 1990 sales of $60 million and compound annual sales growth of 151 percent, Miami-based CareFlorida is also the second largest company in the list. Much of its growth has come in just the past two years, since CEO Paul Cejas stepped in.

Teresa Rodriguez, CEO of T.R. Companies in Houston, provides business services to a market that includes increasing numbers of clients in Mexico and South American countries.

Number 5 on the list, HJ Ford Associates Inc. of Arlington Virginia, is in a very specialized sector—military robotics. HJ Ford has sales of $4.5 million and is growing at a compound annual rate of 147 percent. According to CEO Jorge Alducin, it is "the single largest engineering services company now supporting remote controlled military vehicles such as Cruise missiles." Certainly the firm has found a new orbit since Mr. Alducin founded it as a light construction company just 10 years ago.

Number 6, Deneba Systems Inc. of Miami, is a computer software manufacturing firm with compound annual growth of 138 percent and sales of $6.1 million. One of their programs, a graphics package called "Canvas," is reportedly the best selling program for technical illustration on the Macintosh computer. According to Deneba's three equal partners, Manuël Menendez, Joaquin de Soto, and Jorge Miranda, their next steps are to release the program in five additional languages to capture the international market, and to adapt it to run

TOP 10 *by Employment Growth, 1986-1990*

	Company	New Emps	Growth %
1	ProServe Corp.	445	8,900%
2	HJ Ford Associates Inc.	59	2,950
3	Pueblo Broadcasting Corp.	58	2,900
4	Valor Financial Group	130	2,167
5	META Inc.	71	1,775
6	La Pizza Loca Inc.	660	1,650
7	NFT Inc.	33	1,650
8	Comprehensive Technologies Int'l Inc.	303	1,377
9	Deneba Systems Inc.	39	1,300
10	Spanish Foods Inc.	38	1,267

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THE 100 FASTEST GROWING COMPANIES

on IBM compatibles, which represent an additional market.

La Pizza Loca of Buena Park, California is the seventh fastest growing company. Managed by 28-year-old pizza maven Alex Meruelo, who was just 22 when he started the company in 1986 to cater to pizza-loving Hispanics, the La Pizza Loca chain now includes 25 restaurants in Los Angeles and nearby Orange County. With 700 employees, Mr. Meruelo is the third biggest employer among the 100 fastest growing. He currently savors annual sales of $10 million, a compound annual growth of 131 percent, and a plan to open another 10 outlets this year. The pizza-crazy young capitalist also just sold his first franchise and believes he can sell 10 to 15 more before 1992.

Meanwhile, the CEO of the eighth fastest growing company is happy as a franchisee. Ramona Martinez of Denver-based Uniglobe Advance Travel holds a franchise of Uniglobe Travel. With 1990 sales of $3 million and compound annual growth of 130 percent, Ms. Martinez says she skirted the national and local recessions by focusing on the business market rather than tourist travel, and investing early in marketing and sales assistance. At least 60 percent of the company's billings come from commercial business.

Other business survivalists giving the lie to rumors of metropolitan demise are Houstonians Teresa Rodriguez, CEO of T.R. Companies (number 9), and Miquel Hernandez, CEO of Hernandez Engineering Inc. (number 10). T.R. Companies, which provides diversified business support services ranging from accounting to employee placements, has not suffered "because we picked up a lot of wealthy Mexican and South American clients," says Ms. Rodriguez. In fact with sales of $12.5 million and compound annual growth of 123 percent, you'd have to say they've prospered.

"Skyrocketed" could be a better word for Mr. Hernandez's company, which is a major contractor supporting the U.S. space effort with engineering and technical training services. With sales of $12.3 million in 1990 versus $3.7 million the year before, Hernandez Engineering has a compound annual growth rate of 117 percent.

To them and all the others: we applaud the successful liftoff. ❑

Inside THE 100

Number of Companies by Industry

Service	44
Construction	11
Wholesale	10
Retail	6
Manufacturing	17
Food	7
Transportation	4
Diversified	1
Finance	0
Agriculture	0

Total Sales 1990	$1,102.14 Million
Total Sales 1986	$155.73 Million
Percent Increase	608%
Avg Sales/Employee 1990	$80,826
Avg Sales/Employee 1986	$47,134
Percent Increase	40%
Total Employees 1990	13,636
Total Employees 1986	3,304
Percent Increase	313%

Number of Companies by Profit Range

16% or More	12
6%-15%	40
2%-5%	37
0%-1%	8
Loss	1
No Answer	2

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TOP 10 *by Employment Growth, 1986-1990*

	Company	Sales/Emp. ($M)
1	High Coffee Corp.	$2.48
2	Rivasal International	2.42
3	Plastec U.S.A. Inc.	1.77
4	Andes Chemical Corp	1.60
5	Cal-State Lumber Sales Inc.	1.35
6	Chicago United Industries Ltd.	1.25
7	Dumont Electric	0.90
8	Mazal Fuel Co. Inc.	0.69
9	McBride & Associates Inc.	0.68
10	ITC Personnel Services	0.65

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THE 100 FASTEST GROWING COMPANIES DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1986-1990 Percent Increase	Sales Growth 1986-1990 Compound Annual Rate	Gross Sales* 1986	Gross Sales* 1990	Profit Range** '86	Profit Range** '90	No. of Employees '86	No. of Employees '90	Year Started
1	**McBride & Associates Inc.**, Albuquerque, NM Computer Products/Services	4970.44	166.85	$0.33	$16.96	AA	CC	3	25	1985
2	**Chicago United Industries Ltd.**, Chicago, IL Municipal Contract Consultant	4058.33	153.94	0.12	4.99	EE	CC	2	4	1986
3	**ProServe Corp.**, Denver, CO Food Service	3930.14	151.96	0.16	6.48	AA	BB	5	450	1984
4	**CareFlorida Inc.**, Miami, FL Health Insurance	3900.00	151.49	1.50	60.00	EE	CC	40	120	1973
5	**HJ Ford Associates Inc.**, Arlington, VA High Tech Engineering Systems	3650.00	147.46	0.12	4.50	AA	AA	2	61	1981
6	**Deneba Systems Inc.**, Miami, FL Microcomputer Software Manufacturing	3112.13	138.07	0.19	6.12	AA	AA	3	42	1986
7	**La Pizza Loca Inc.**, Buena Park, CA Pizza Restaurants	2757.14	131.20	0.35	10.00	CC	BB	40	700	1986
8	**Uniglobe Advance Travel**, Denver, CO Travel Services	2717.45	130.39	0.11	3.07	BB	BB	4	10	1986
9	**T.R. Companies**, Houston, TX Accounting, Insurance, Computer, Employee Services	2381.94	123.20	0.50	12.50	AA	AA	6	20	1984
10	**Hernandez Engineering Inc.**, Houston, TX Engineering Services	2104.44	116.68	0.56	12.27	CC	CC	17	215	1983
11	**Pueblo Broadcasting Corp.**, Houston, TX Television Broadcasting—Spanish	2056.29	115.49	0.44	9.46	BB	DD	2	60	1984
12	**Comprehensive Technologies Int'l Inc.**, Chantilly, VA Software Development/Systems Integration	2041.89	115.13	0.92	19.70	CC	CC	22	325	1980
13	**Arcom Electronics Inc.**, San Jose, CA Data Communications Hardware Distribution	1855.39	110.29	0.42	8.15	—	EE	3	25	1985
14	**F. Gavina & Sons Inc.**, Vernon, CA Specialty Coffee Roasting	1635.55	104.11	1.38	24.00	CC	CC	60	100	1967
15	**NFT Inc.**, Golden, CO Nuclear & Hazardous Waste Management	1610.24	103.36	0.17	2.96	AA	BB	2	35	1984
16	**Gato Distributors**, Miami, FL Wholesale Beer Distribution	1304.35	93.58	2.78	39.07	—	—	85	125	1986
17	**META Inc.**, Miami, FL Computer and Environmental Management Services	1300.00	93.43	0.40	5.60	BB	CC	4	75	1980
18	**Spanish Foods Inc.**, Miami, FL Canned Foods	1261.68	92.10	0.80	10.89	CC	CC	3	41	1986
19	**Dumont Electric**, Sparta, NJ Electrical Supplies	1219.65	90.60	0.34	4.50	CC	CC	2	5	1983
20	**Copier Depot**, Miami, FL Copiers and Supplies Export	1212.50	90.34	0.16	2.10	AA	AA	4	23	1980
21	**North American Trade Corp.**, Houston, TX Export/Import Distribution	1201.18	89.93	0.47	6.15	AA	CC	6	12	1984
22	**Abbey Moving & Storage Co.**, Glendale, CA Moving & Storage	1160.75	88.43	0.19	2.35	AA	BB	8	35	1986
23	**Cal-State Lumber Sales Inc.**, San Diego, CA Wood Product Sales	1030.71	83.37	9.20	104.02	BB	BB	10	77	1984
24	**ORA Corporation dba Delimex** San Diego, CA Frozen Mexican Food	1014.05	82.69	1.32	14.68	BB	BB	62	175	1984
25	**Aguilar Associates & Consultants Inc.**, Matawan, NJ Environmental Consulting	1006.66	82.39	0.23	2.59	CC	CC	4	20	1981
26	**Melloul Travel Consultants**, Coral Gables, FL Travel Management	933.33	79.29	1.50	15.50	CC	BB	6	26	1961
27	**ITC Personnel Services**, Houston, TX Personnel Services	872.81	76.61	0.40	3.90	DD	BB	2	6	1985
28	**Mazal Fuel Co. Inc.**, Bridgeport, CT Gasolines, Diesel Fuels, K-1, Jet Fuels	856.29	75.85	0.43	4.15	EE	DD	4	6	1976
29	**Advanced Sciences Inc.**, Albuquerque, NM Engineering/Environmental R&D	814.29	73.89	4.23	38.72	DD	CC	96	420	1977
30	**Transmetrics Inc.**, San Jose, CA Civil Engineering	812.72	73.81	0.24	2.17	—	BB	5	30	1981
31	**Cordoba Corp.**, Los Angeles, CA Systems Devel. Consulting, Urban & Regional Planning	806.74	73.53	0.77	7.00	BB	BB	8	103	1983
32	**Jesse Fence Co. Inc.**, Houston, TX Fence Manufacturing	768.37	71.66	0.55	4.74	EE	BB	16	81	1983
33	**West Tee Graphics**, San Jose, CA Printed Apparel Sales	700.00	68.18	0.20	1.60	CC	CC	2	15	1984

*In millions of dollars. **Profit Range: AA:16% or more; BB:6%-15%; CC:1%-5%; DD:0%-1%; EE:loss.

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THE 100 FASTEST GROWING COMPANIES DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1986-1990 Percent Increase	Sales Growth 1986-1990 Compound Annual Rate	Gross Sales* 1986	Gross Sales* 1990	Profit Range** '86	Profit Range** '90	No. of Employees '86	No. of Employees '90	Year Started
34	**AmerInsurance Inc.**, Miami, FL Insurance	679.56	67.09	$1.43	$11.15	AA	AA	28	30	1961
35	**Front Range Fabrication Inc.**, Denver, CO Steel Manufacturing	678.20	67.02	0.13	1.05	—	BB	5	16	1985
36	**E.T. LaFORE Inc.**, Denver, CO General Contracting	643.82	65.15	2.50	18.60	AA	CC	25	40	1977
37	**Rubio's Restaurant Inc.**, San Diego, CA Fast Food Mexican Restaurant	642.10	65.05	0.79	5.87	BB	BB	75	200	1983
38	**L&M Technologies Inc.**, Albuquerque, NM Engineering & Technical Support Services	639.09	64.88	1.75	12.91	—	CC	40	185	1972
39	**Rivasal International**, Cincinnati, OH International Marketing	625.00	64.09	1.00	7.25	DD	BB	1	3	1982
40	**F&L Construction Inc.**, Miami, FL Construction	616.67	63.62	0.60	4.30	AA	AA	5	35	1975
41	**Scientech Inc.**, Idaho Falls, ID Engineering/Management Consulting	606.13	63.01	1.22	8.65	CC	BB	11	136	1983
42	**Jay Automotive Specialties Inc.**, Berlin, PA Automotive Parts	596.73	62.47	2.05	14.26	CC	CC	18	68	1976
43	**Vincam Group Inc. (The)**, Miami, FL Empl. Leasing, Mental Health Mgmt, Empl. Services	593.62	62.29	4.70	32.60	DD	DD	350	2500	1985
44	**Eagle Transportation & Warehousing**, Miami, FL Distribution Services	592.31	62.21	0.65	4.50	DD	CC	9	90	1982
45	**Orion International Technologies Inc.**, Albuquerque, NM Engineering and Scientific Services	568.27	60.78	0.64	4.30	EE	CC	22	55	1984
46	**Plastec U.S.A. Inc.**, Miami, FL Plastic/Chemical Sales	536.00	58.81	2.50	15.90	BB	BB	4	9	1985
47	**TAMSCO**, Calverton, MD Electronics Manufacturing & Telecommunications	533.36	58.64	4.99	31.60	CC	CC	121	504	1982
48	**Andes Chemical Corp.**, Miami, FL Chemicals Distribution	522.22	57.94	1.80	11.20	—	BB	2	7	1986
49	**Alman Electric Inc.**, Mesquite, TX Electrical Contracting	512.72	57.33	0.82	5.04	—	BB	42	57	1979
50	**Shifa Services Inc.**, Hackensack, NJ Janitorial/Landscaping Services	496.01	56.25	0.90	5.38	—	BB	70	180	1980
51	**North Shore & Central Illinois Freight**, Forest View, IL Trucking Services	477.38	55.01	0.84	4.85	DD	BB	8	57	1930
52	**RJO Enterprises Inc.**, Lanham, MD Government R&D	463.71	54.09	10.59	59.72	—	DD	325	600	1979
53	**Santa Cruz Supply Inc.**, Pittsburgh, PA Plumbing & Heating Supplies	449.40	53.10	0.38	2.08	BB	BB	2	4	1978
54	**Sanchez & Levitan Inc.**, Miami, FL Advertising, Marketing, Public Relations	445.30	52.81	0.23	1.25	BB	BB	4	12	1985
55	**Lucero Computer Products**, Idaho Falls, ID Computer Sales/Service	443.28	52.67	1.89	10.27	BB	BB	4	20	1984
56	**D.R./Balti Contracting Co. Inc.**, Chicago, IL General Contracting	442.88	52.64	0.55	2.98	AA	CC	15	40	1984
57	**Jason Int'l Optical Inc.**, Elizabeth, NJ Eyeglass Frames	439.22	52.38	0.60	3.25	—	AA	5	10	1983
58	**C.E. Precision Assemblies Inc.**, Chandler, AZ Cable Assembly & Delay Line Manufacturing	435.48	52.12	0.19	1.00	BB	BB	2	18	1986
59	**Ram Enterprises Inc.**, Valencia, CA Electronic Cable Manufacturing	407.20	50.07	1.25	6.34	BB	AA	4	13	1985
60	**Denver Gasket Inc.**, Denver, CO Cut Goods & Gaskets	402.50	49.72	0.40	2.01	CC	BB	20	25	1961
61	**Felix Corp.**, Los Angeles, CA Plumbing	400.00	49.53	0.50	2.50	CC	CC	10	70	1977
62	**Production Products Mfg. & Sales Inc.**, St.Louis, MO Diverse Manufacturing	398.13	49.39	0.86	4.27	BB	BB	7	78	1976
63	**Pacifica Services Inc.**, Pasadena, CA Civil Engineering	392.92	49.00	11.30	55.70	BB	BB	225	750	1979
64	**Valor Financial Group**, Miami, FL Life, Health, Travel Accident Insurance	390.49	48.82	0.99	4.84	BB	BB	6	136	1976
65	**Colsa Inc.**, Huntsville, AL Engineering Services	382.22	48.19	9.54	46.02	EE	BB	236	500	1980
66	**Bright Glow Candle Co. Inc.**, Vernon, CA Religious Novena Candles	375.00	47.63	0.40	1.90	BB	BB	5	19	1986

*In millions of dollars. **Profit Range: AA 16% or more; BB 6% - 15%; CC 1% - 5%; DD 0% - 1%; EE loss. Hispanic Business Inc. Reprinting or copying all or part of this information requires written permission.

THE 100 FASTEST GROWING COMPANIES DIRECTORY

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67	**Automaking Peripherals Inc.**, Hartford, WI Time and Attendance Software for Hospitals	371.16	47.33	$0.51	$2.40	AA	AA	12	30	1982
68	**Office Furniture Center Inc.**, Tampa, FL Furniture Design Service	370.00	47.24	0.50	2.35	CC	CC	6	16	1986
69	**Abrazo Inc. dba Di-rec Services**, Dallas, TX Clerical Job Placement, Temporary and Permanent	368.01	47.08	0.38	1.80	CC	BB	35	5	1983
70	**Affiliated Systems Corp.**, Houston, TX Management Consulting	363.97	46.76	0.25	1.17	—	BB	5	27	1982
71	**Celestial Travel Inc.**, Leesburg, FL Travel Services	353.33	45.92	1.50	6.80	CC	DD	6	21	1981
72	**El Paso-Fairview Foods Inc.**, El Paso, TX Egg Distribution	351.89	45.80	0.88	3.97	CC	BB	8	12	1965
73	**Thomas A. Mason Co. Inc.**, Milwaukee, WI Painting & Flooring	346.35	45.35	0.56	2.50	CC	BB	10	20	1912
74	**JC Computer Services**, Alexandria, VA Computer Repair and Maintenence	342.93	45.07	0.40	1.75	BB	AA	5	30	1985
75	**Economy Laundries**, El Paso, TX Industrial Laundry	342.63	45.05	3.36	14.86	BB	BB	100	400	1972
76	**High Coffee Corp.**, Houston, TX Coffee Importing	342.20	45.01	2.24	9.92	DD	DD	2	4	1986
77	**Estrella Insurance Inc.**, Miami, FL Insurance	338.50	44.71	4.00	17.54	BB	BB	20	50	1978
78	**Microretailing Inc.**, Miami, FL Microcomputer Services	333.33	44.28	6.00	26.00	CC	CC	11	55	1983
79	**Don Carlos Mexican Restaurante**, Dearborn, MI Mexican Restaurants	328.57	43.88	0.28	1.20	AA	AA	20	175	1984
80	**Public Inc.**, Buena Park, CA Trucking/Warehousing	322.17	43.34	0.95	4.00	BB	BB	8	20	1981
81	**Hernandez Electric Inc.**, Phoenix, AZ Electrical Contractor	321.43	43.28	1.40	5.90	CC	CC	30	120	1975
82	**Liz Soto Inc.**, Santa Monica, CA Fashion Accessories	318.15	43.00	0.35	1.46	BB	DD	6	35	1984
83	**Coltex Inc.**, Clover, SC Used Textile Machinery Dealer	315.16	42.74	0.74	3.08	AA	AA	5	15	1973
84	**Gonzalez Wholesale Inc.**, Vernon, CA Housewares/Health & Beauty Product Import/Dist.	312.30	42.50	0.50	2.06	DD	CC	7	15	1969
85	**Vimari Corp.**, Miami, FL Perfume/Cosmetic Distribution	310.33	42.33	1.96	8.04	CC	CC	9	20	1980
86	**Computer Resource Management Inc.**, Herndon, VA Computer Software Services	309.84	42.28	2.01	8.22	CC	CC	43	170	1978
87	**Matrix Exhibits Inc.**, Brentwood, TN Exhibit & Display Design	309.12	42.22	1.69	6.91	EE	CC	17	87	1986
88	**Fernandez & Associates, P.C.**, Denver, CO Accounting Services	304.19	41.79	0.72	2.90	—	DD	40	102	1976
89	**Modern Sanitation Systems Inc.**, East Orange, NJ Janitorial Services	303.12	41.70	1.17	4.73	BB	BB	70	250	1979
90	**Salas Concessions Inc.**, Nashville, TN Food Services	303.11	41.70	1.34	5.40	CC	CC	58	350	1980
91	**Hugo's Cleaning Service Inc.**, Lisle, IL Janitorial Services	301.31	41.54	2.99	12.02	CC	CC	110	500	1971
92	**Ferrous Metal Processing Inc.**, Brooklyn, OH Steel Service Center	297.83	41.23	2.64	10.52	CC	CC	25	120	1983
93	**Tamez-Thomas Inc.**, Houston, TX Masonry Contracting	290.57	40.58	1.46	5.70	CC	CC	50	110	1985
94	**SFA Architects Inc.**, Cincinnatti, OH Achitecture/Interior Design Planning	284.22	40.01	0.16	0.60	—	—	8	10	1967
95	**Tramex Travel**, Austin, TX Travel Services	280.56	39.67	3.60	13.70	CC	CC	13	40	1984
96	**Sun Eagle Corp.**, Chandler, AZ General Contracting	279.39	39.56	3.93	14.91	BB	BB	8	40	1978
97	**National Communications Inc.**, Miami, FL Sales Promotions	277.35	39.38	0.98	3.69	CC	CC	5	27	1983
98	**Bona Real Estate #1**, Pasadena, CA Real Estate Services	275.91	39.24	0.47	1.75	CC	CC	24	95	1973
99	**Securiguard Inc.**, Mclean, VA Security/Maintenance Services	272.99	38.97	3.32	12.40	CC	CC	200	531	1982
100	**Ernie Sandoval Enterprises Inc.**, Oceanside, CA Restaurant Chain	271.84	38.86	2.02	7.50	—	CC	120	200	1983

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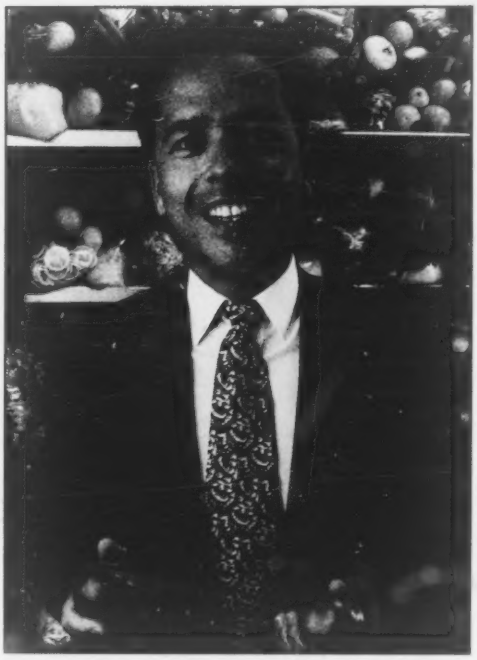
THE 100 FASTEST GROWING COMPANIES

#3

ProServe Corporation
Denver, Colorado
Joe Aragon, CEO

By Maura J. Mackowski



ProServe CEO Joe Aragon says he's ready to take on the bigtime food service competitors by attacking the soft underbelly—their lack of attention to quality and cost.

Food service contractor Joe Aragon got a call during breakfast from a company whose cafeteria management firm had just gone bankrupt. By noon the same day, Mr. Aragon's crew was at the plant serving lunch. "He walked over to the hall, called together all the people, and didn't miss a shift," recalls Tom Schefter, manager of the Denver Small Business Development Center. "He took over a half million dollar contract on four hours notice."

That kind of flexibility, plus people skills and a vigilance for controlling costs, have won Denver-based ProServe Corporation a reputation for excellence and an enviable growth record. Since its founding in 1985, the company has moved from zero to 5 million meals a year, and stirred up annual revenues of $10 million in the process. ProServe grew exactly 3,930 percent from 1986 to 1990.

Joe Aragon learned about the money-making potential of cooking breakfast, lunch, and dinner when he was in the Air Force, and refined his recipe for profitability in high volume food service during 11 years working with the federal prison system, most recently as director of the Justice Department's Food Service Training Academy.

"Our group was a resource for state and local agencies, so I was able to get a feel for the quality of talent out there. There was a dearth of food service ability," he says.

Most important, Mr. Aragon learned how to dish up good food for the lowest possible cost. The $2 per meal that prisons usually spend has to cover not just food but serving costs, supplies, and cleanup. With that knowhow, his company, founded in 1985, was soon able to win smallish food service contracts with government clients like the Fitzsimons Army Medical Center, Front Range Community College, the Federal Immigration and Naturalization Service, and the City and County of Denver's detoxification center.

Then in the summer of 1989 Mr. Aragon decided to move up from the small potatoes. He took his cost control strategies to the state's Air Force bases and won two 5-year contracts, one for $7.5 million with the Grand Forks base, and one for $26 million with Lowry AFB. In less than one year, ProServe won the prestigious John Hennessy Award for its Lowry operation—as the best food service program in the worldwide U.S. Air Force system.

"He had been at a half million per year," recalls the Small Business Development Center's Mr. Schefter, "and now had two extremely large contracts staring him in the face without enough collateral to ask for a bank loan. So he developed this three step plan: First, he put into the contract the costs of the vehicles, uniforms, tablecloths, etc. Second, he established accounts receivable financing with a local factoring company as an interim bridge. Third, he put together longer-term financing through the Small Business Administration. When that came through, he terminated the loan from the factoring company and saved substantially on the interest."

That's the financial story, but how did Mr. Aragon make the fast shift in management control from being a local family business to one with almost 500 workers? He has the experience needed to take an established labor force, often unionized, and train and motivate it to do things the ProServe way. He knows how to design effective incentive bonuses and training programs, and how to pick the right person for the right job.

Now Mr. Aragon is going to do more of the same, with plans to bring ProServe up to $100 million in seven years. He is negotiating for a $3 million contract at Fort Carson and a $1 million a year deal at the U.S. Air Force Academy. He also has an appetite for the new Denver airport and convention center, and a potential major league baseball team.

Long term, he sees increased privatization of government bringing more independent food service firms into the picture, and says private corporations are beginning to treat the cafeteria as a service that should pay its own way, rather than as an employee benefit. If true, this means ProServe will be shooting it out with the bigtime national food service competitors, who sling major budgets for proposals and planning.

"Yep," says Mr. Aragon, hitching up his apron, "that's exactly what I have in mind. The big national companies haven't paid attention to quality and haven't controlled costs. Our strategy is to pay attention to cost control; it's the linchpin. We want to be the go-to company in the food service industry."

THE 100 FASTEST GROWING COMPANIES

#6

Deneba Systems Inc.
Miami, Florida

Manuel Menendez, CEO

By Rick Mendosa

"Programming geniuses" Jorge Miranda (left), Joaquin de Soto, and Manuel Menendez built a $6.1 million company in five years.

They might have laughed when Manuel Menendez and his two partners decided to launch a new company with a total investment of $275, but it worked. The money bought an advertisement for their Macintosh computer software program that brought in enough money for more ads, and so on.

That was 1986. Today, only five years later, Deneba Systems Inc. of Miami has annual sales of $6.1 million and current working capital of $2.5 million. Sales have grown at a compound annual rate of 138 percent. Their top product is one of the best selling and most highly rated Macintosh software programs available.

The success is even more remarkable considering that CEO Mr. Menendez was only 28 the year he started the company. His two equal partners, Vice Presidents Joaquin de Soto and Jorge Miranda, were both 22.

IBM-compatible programs lead in sales for most categories of computer use—including word processing, spreadsheet development, database development, and telecommunications systems. But programs for the Apple Computer company's Macintosh still have unchallenged supremacy in the graphics applications market. And in that arena Deneba's Canvas software is now the best seller, surpassing even Apple's own MacDraw product.

Specifically, Canvas is a precision drawing program for technical illustration and business use. MacDraw, which is produced by Claris Corporation, a wholly owned Apple subsidiary, has been available since shortly after the Macintosh itself was introduced. The reason Canvas is now pulling ahead of MacDraw in sales, says *MacWorld* magazine's editor in chief Jerry Borrell, is that "Canvas surpassed MacDraw in features last year."

The year before that, Canvas won the *MacUser* magazine "Editor's Choice Award" as the best graphics program of the year. It is the only drawing program ever to win that magazine's coveted "5-Mice Rating." MacUser Labs Director Andrew Eisner says that's because the Deneba programmers are "in touch with what graphic users want."

Among major computer graphics program users who want Canvas are the Boeing Company, which is reportedly using some 6,000 copies of the program, and McDonnell Douglas Space Systems—a subsidiary of the McDonnell Corporation—with 1,500 copies. "We use Canvas as our principal tool to create drawings," explains Orv Jordahl, senior manager of information systems for McDonnell's space station program, because "it's far better than MacDraw."

Although Deneba now employs a staff of about 50, it remains a true partnership. Mr. Menendez, who created and continues to update Deneba's first software success—Spelling Coach—happens to be "stuck with the administration," says Mr. Miranda. But all three partners remain the company's principal programmers, and each respectfully refers to the others as "programming geniuses."

The trio's product development strategy has always been to look for problems in need of a solution. And since the company was formed just after it became clear the Macintosh would be a tremendous success, the partners soon focused on graphics programs for the Macintosh. "While there were already existing programs," explains Mr. Menendez, "we saw huge gaps in them that we decided to fill."

Mr. Miranda was the one who created Canvas. Now he and Mr. de Soto keep busy directing a team of five other programmers to keep it up to date. The company just released the latest version, Canvas 3.0, which takes advantage of the Macintosh's newest operating system—System 7—and has many other "amazing capabilities," according to software specialist Deke McClelland. Mr. McClelland has just written a book on the features and use of Canvas.

True to their initial approach of spending money only as they got it, Deneba's three partners have allowed themselves no debt, no venture capital infusions, no big outstanding financial commitments. "We're well positioned on a cash basis," says Mr. Menendez at the risk of understatement. He also predicts—conservatively—that they'll go on growing at least as fast as the computer industry overall.

But Deneba will probably do better than that. This month they'll begin a big push for a broader international presence, releasing Canvas 3.0 for a number of foreign markets—in Spanish, German, French, Swedish, and Japanese.

The next step will be a version of Canvas to run on IBM-compatible computers under Windows 3.0. The three Deneba partners think that could double or triple their revenues.

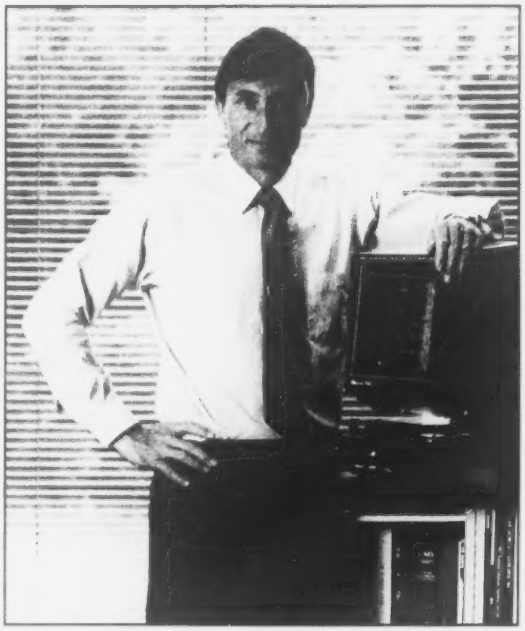
THE 100 FASTEST GROWING COMPANIES

#21

North American Trade Corp.
Houston, Texas

Jorge Guiloff, Founder and President

By Steve Bergsman



Jorge Guiloff expanded his company's operations worldwide to capture growth in international markets, then used what he learned to carve out a niche at home.

While countless U.S. companies looking for growth are jamming the path to international trade, North American Trade Corp. is quietly turning its attention to the home market, with a special focus on government contracts.

This Houston-based distribution company grew 1,201 percent between 1986 and 1990, based mostly on foreign sales. North American built its name exporting construction equipment to South America, Central America, and Mexico, then broadened to cover Europe, Africa, the South Pacific, and a number of countries along the Pacific Rim.

Not bad. But this year President Jorge Guiloff expects revenues to double—from $6 million to $12 million—because business is booming at home.

It's not that sales won't continue growing abroad. The principal segment of the business is still in exporting, which generally increases when the U.S. economy slows and the dollar is weak against foreign currencies, as now. A weak dollar means American goods are cheaper and therefore more attractive overseas. Also, the company's global span protects it against wide swings in any one area's economy.

But their new domestic business is pretty recession proof too. When Mr. Guiloff started to look at the U.S. market in 1989, he focused in on the Army. No high-tech items for B-1 bombers or laser guided missiles, though. He went strictly low-tech, and secured his first contract distributing parts for the Army's fleet of trucks. Not the glory end of the defense business, but not subject to the vicissitudes of Congress or the economy.

Truck parts are always needed, and such basic nuts and bolts type items aren't greatly affected by changes in the economy either. "Whether the economy goes up or down, the Army has a budget that it sticks to," Mr. Guiloff remarks. Although there can be an upside. The Gulf War, for example, was a windfall that added zest to North American's 1991 sales—an additional $3 million to $4 million.

Along the same vein, North American recently went for and won a contract to distribute electrical parts for the buses and trucks of a major Houston school district. They've also nabbed contracts locally with the National Aeronautics and Space Administration in Houston, from some of the major oil companies, and from the Port of Houston, as well as from the U.S. government's Agency for International Development.

But as all minority-owned contractors know, such desirable contracts don't just fall into your lap. North American has a reputation.

Wes Austin, a 15-year client of the company's international business, says it's that "North American does just plain good business." Mr. Austin is the Houston branch manager of McNeilus Truck & Manufacturing Inc., a maker of concrete mixers and replacement parts. "There are a ton of guys trying to export; you have to be careful," he explains. "This company has good follow-up, and Mr. Guiloff is right on top of everything. They get information to the customer quickly and deliver the goods in a timely fashion."

In fact, North American spent a few of its early years making mistakes. "We used to buy the parts and pay another company to ship them to a forwarder," Mr. Guiloff says. "But the stuff would sit at the airport where nobody could get to it. Then in a rush the forwarder would ship it out, not checking to see if all the inventory was there. If a shipment of 50 bolts was sent to Santiago, Chile, but only 48 arrived, then we had to send two more at no charge to the client. Meanwhile the forwarder had already charged us $50 for handling, $50 for paperwork, a commission on the air freight, and a cut on the insurance."

Now, however, North American does its own crating, warehousing, and forwarding, and even writes its own insurance. As much as possible, they have eliminated the use of outside agents. "And we make money on the crating and forwarding," Mr. Guiloff says.

So it was that although North American was founded in 1976, it grew slowly until the mid-1980s. That was also when Mr. Guiloff's original partner left and he created a new corporation of his own, keeping the same name. In a business that tends to attract seat-of-the-pants operations that can fold almost as fast as the doors open for business, this entrepreneur found the keys to managing risk and growth, and has been using them well.

THE 100 FASTEST GROWING COMPANIES

#24 Delimex
San Diego, California
Oscar Ancira Jr., President

By Elizabeth Fernandez

Delimex President Oscar Ancira Jr. cheerfully admits it was sheer blind luck that led him and his father, Oscar Ancira Sr., to succeed so dramatically with Mexican frozen food.

If ever Oscar Ancira Jr. had reason to feel proud of his company it was earlier this year during a late season ski trip to Aspen with a group of friends who work in construction and real estate.

"They were all very much affected by the economy," recalls Mr. Ancira, who is president of Delimex, a San Diego-based frozen Mexican food manufacturing company founded by his father. "The whole freaking weekend there was nothing but complaining. I tried to keep quiet." But for once Mr. Ancira, himself a chronic pessimist, was crowing inwardly.

He believes his business is relatively immune to lurches in the economy, whether ups or downs. If anything, he explains, "recessions are good for food processors. You still have to eat, and in a recession people don't go to restaurants as often. They eat at home more. And chances are if you work you'll say, 'Sorry honey, frozen food again.'"

So while countless firms across the country have been laying off workers by the score, Delimex (legally ORA Corporation) has added 15 new employees this year, bringing its payroll to 210. And while other manufacturers are smothering under avalances of inventory buildup, Delimex's food lines are steaming at full capacity. The company had revenues of $14.7 million in 1990 and expects to reach $20 million by the end of the year, up from $1.3 million just five years ago.

This fast growth was a true surprise to company Chairman Oscar Ancira Sr., who founded the company in 1984. A chemical engineer with a master's degree from MIT, he had been "going crazy for something to do" after selling his partnership in a Mexican plastics factory and retiring in San Diego. He and his brother, Ricardo Ancira, invested $80,000 in the venture with the goal of generating 5,000 tamales a day, or annual sales of $500,000 if they were lucky.

Nowadays the company rolls out tamales, taquitos, and flautas—some 2.2 million of them a week.

Delimex sells these products in a dozen states, largely in the western half of the country, to retail supermarkets including Ralphs and Vons as well as to warehouse clubs like Price Club and Sams Club. Boosted in part by the Jack in the Box fast food chain's heavy promotion of taquitos when it added this item to its menu, the finger-size rolled tortillas stuffed with beef or chicken have now become Delimex's banner product.

But now that both father and son see the potential of their business, they are focusing hard on expansion. With the ultimate goal of becoming "the Nabisco of frozen food," they plan to expand their customer base to produce sales of $50 million within three years.

Delimex has already begun to hold sales talks with Korea, as part of a push to establish a toehold in Pacific Rim countries. More basically, their objective in the domestic market is to make broader inroads into the retail supermarket sector.

That's a daunting goal no matter how good the product and marketing, say industry analysts. "The biggest problem is to find space in the supermarkets. It's a matter of room," comments Howard Weatherspoon of the American Frozen Food Institute. Delimex will be competing for more consumer attention in a jam packed market, he says, and "the frozen box is just bulging. It may be difficult to find markets that will take them."

Still, admits Mr. Weatherspoon, the ethnic frozen food market—Delimex's niche—has skyrocketed during the past decade and still has vast potential. "This is a decidedly growing industry in the United States," he reflects, and "the public is becoming more familiar with Mexican foods, especially those they don't have to prepare."

There the Anciras would agree. Although they cheerfully admit they are often at odds on business decisions. "We disagree on everything, from the design of the bag to the arrangement of the office," shouts the elder Ancira in mock alarm. "I choose blue, he chooses green!" his son chimes in. Which could be why as president and chairman they have not to this day decided who should be the company's CEO.

"But apparently we have reached the right decisions," Mr. Ancira Sr. smiles peaceably. "I'm very proud."

THE 100 FASTEST GROWING COMPANIES

#28

Mazal Fuel Company, Inc.
Bridgeport, Connecticut
Ralph A. Mazal, President

By Brian Wright O'Connor

Ralph A. Mazal (in shirt and tie) more than quadrupled sales in two years by paying a team of experts to tell him how he could tap the corporate market for fuels.

After 12 years of dragging oil hoses around Bridgeport, Connecticut, Ralph A. Mazal began looking for more profitable ways to fuel his business growth.

Mazal Fuel Company Inc. was doing nearly $1 million a year in 1989. A comfortable sum, but far short of what the ambitious Argentine native believed his company could earn. He knew there were corporate customers out there who could boost his earnings beyond the relatively limited base of home heating oil deliveries. So early in 1989 he took a step that rarely comes easily to hands-on entrepreneurs: he brought in outside advisors to look over his balance sheet and review growth strategies.

Among other suggestions, the four-member steering committee—made up of an attorney, a banker, a retired business executive, and a manufacturing specialist—advised Mr. Mazal to hire a full-time bookkeeper and delegate day-to-day operating duties to others. The changes allowed him to concentrate more energy on developing new business, most notably with the Nutmeg State's numerous defense contractors, which are mandated by law to follow minority procurement requirements.

The payoff was big. In two years, business more than quadrupled, from $900,000 in 1989 to $4.15 million in 1990. And the Connecticut Minority Purchasing Council has named Mr. Mazal "Supplier of the Year" for 1991, an award he hopes will open up contract opportunities with other stars in the constellation of Connecticut-based defense firms.

Sitting in his storefront office in Bridgeport, a gritty industrial city on the Connecticut coast, Mr. Mazal ponders the paradox of having more time now even though he's doing more business than ever. "I'm still busy, but it's a different kind of busy," says the 39-year-old company president. "I'm doing a lot more planning. I find more time to visit my customers, which the larger companies like. They're very receptive because they know we'll go the extra step to give them better service."

The clients agree. "As a supplier, Mazal has always been able to deliver on short notice—almost no notice," says Judy Crichlow, senior buyer with Pratt & Whitney, a Connecticut manufacturer of commercial and military jet engines. Mazal Fuel sold about $300,000 in diesel fuel and heating oil to Pratt & Whitney in 1990 for use in the company's vehicle repair facility. "No matter when I call," adds Mrs. Crichlow, "he's been able to help us."

One of Mazal Fuel's largest contracts in 1990 came from Textron Lycoming, maker of the M1 tank engines that helped power U.S. forces to victory in the Gulf War. Mr. Mazal sold more than $1 million in diesel and jet fuel used to test Textron Lycoming's prototype engine models. "They were always willing to go that extra yard," says Textron Lycoming procurement officer Karen Moyher.

Mr. Mazal's keen nose for customer needs was what got him started in the oil business. He had a job in 1976 inspecting aircraft parts at Spacecraft Manufacturing in Milford, Connecticut when he heard co-workers talking about a Hispanic fuel company owner who was shutting down the operation to retire. He knew this meant that a whole lot of customers were suddenly deprived of a supplier. Then on the way home from work that day he saw an oil truck for sale. $1,500 later, he and his then partner were the owners of a six-cylinder 1954 Chevy tanker. In the time it took them to scrape together enough money to fill it, they were in the oil business.

Still working in the factory by day and pumping oil at night, Mr. Mazal quickly learned some tough business lessons. "I had to pay for my oil, but my customers needed credit. My cash flow was terrible. I used to take the grocery money from my wife's paycheck to buy the oil. I also sold one of my cars and put the two grand back into the business. Meanwhile, I was getting customers by knocking on doors and by word of mouth."

His first break came when a wholesale supplier allowed him to buy on credit. The next boost came when a local antipoverty agency found few companies willing to make deliveries to low income clients receiving federal fuel subsidies. Mazal Fuel stepped right in, nozzles poised.

In fact, Mr. Mazal continues to go after every contract possible, knock on every door. It's a winning attitude.

THE 100 FASTEST GROWING COMPANIES

#87
Matrix Exhibits Inc.
Brentwood, Tennessee
Louis Tapia, CEO

By Rick Mendosa

Louis Tapia, CEO of Matrix Exhibits Inc., had to sell out of his first business and start over in order to grow the way he wanted.

Louis Tapia has developed two successful companies in a row—both in the same business. The only trouble with the first company was that although Mr. Tapia was president he didn't own enough of it to grow it as fast as he wanted. So five years ago he sold out to the majority partners and started his own company.

The new company, Matrix Exhibits Inc., was a fast starter. Revenues were $1.7 million the first year and $6.9 million in 1990 (309 percent growth), and the business grew another 20 percent in the first 6 months of 1991. By comparison, Mr. Tapia had grown his first company, 1220 Exhibits, from revenues of $300,000 in the first year to $5 million at the time he bowed out. Matrix has also added five sales people since the beginning of the year, for a total of 13.

Matrix is in the display business. They design, build, ship, store, and manage exhibits for trade shows, conventions, museums, television productions, and retail point of purchase displays. Lots of companies do that. But almost all of these competitors sell their exhibits. Matrix makes 70 percent of its revenues from renting exhibits, which is what Mr. Tapia had been itching to do with his first company—against the objections of its majority shareholders.

In six quick years, he has built Matrix into one of the biggest exhibit rental companies in the business, with more than 400 large clients. Mr. Tapia thinks there's still plenty of room for growth, too, because only 10 percent of all exhibitors are renting so far, despite the cost savings he believes they gain from doing so. "We switched to Matrix to save money by renting," agrees client David Wyont, director of marketing communications for CORTELCO USA, the company that manufactures all of ITT's telephone equipment.

The potential rental market is still largely unexploited, Mr. Tapia explains, because "a lot of my competitors don't want to make the investment [in rental stock]."

But renting exhibits was only one of Mr. Tapia's expansion ideas. He also wanted to pursue the international market—another niche the major shareholders in his first company had shied away from. Matrix already has reps in Europe and the Pacific rim, and is steadily building up its international connections. Headquartered in Brentwood, Tennessee (a suburb of Nashville), the company has offices in Atlanta, Birmingham, Chicago, New York, and France, and is negotiating for a facility in England. About one-fifth of the young company's business is international.

All told, Matrix has done 2,000 shows in the past six years, for clients ranging from the World Wrestling Federation to Marvel Comics to major league baseball. One reason for their growth is that they do whatever it takes to meet an exhibition deadline. They've never missed one, and often have crews working day and night to make sure they won't. "They always come through for us, even going out of their way to help me finish up and make my flight home," says Nathalie Blanc, who handles English and French affairs for the World Wrestling Federation and has worked with Matrix for two years.

Other keys to the company's success are quality and customer service. Rita Smolinski, the Marvel Comics manager of trade shows and meetings, says she has worked with Matrix for four years. "Matrix has a customized, more professional look than we could do ourselves," she points out. And when she once had a slight problem with one of the company's representatives, Mr. Tapia himself made their service to Marvel a top priority. "Lewis made a special trip to see me in New York to allay my fears," she recalls, "and this year they were fantastic."

It was professionalism also that sold Hernan Tudela on Matrix. "They know the business from beginning to end," says Mr. Tudela, marketing manager for Major League Baseball Properties—the sport's licensing arm. "We trust his judgment."

The trouble with this focus on service, quality, and constant expansion is that "it's a constant problem to keep up with the growth and keep the company balanced," says Mr. Tapia. "I either don't have enough sales people, or enough management people, or enough engineers." But it's sure nice to be growing at a time when a lot of other companies are tightening their belts.

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Hispanic Families Eating Out More & "Charging It"

You have no doubt wondered where all the money goes. If so there's help, because the U.S. government does more than decide how much we owe in taxes. It also tracks what's left.

These leftover funds are known as "disposable income," and the U.S. Department of Labor has developed two surveys of how Hispanics spend their disposable income. One of these "Consumer Expenditure Surveys" was done for the years 1985-86, and one was done for 1988-89. While the surveys are not available in published form, we obtained computer print-outs.

These data are based on interviews with 4,366 Hispanic families ("consumer units" averaging 3.4 persons each) across the country. While the size of the average Hispanic family interviewed did not change between the first and second surveys, Hispanic spending patterns did.

One troubling finding is that Hispanic families tended to spend 5 percent more than they earned in 1988-89. In the years 1985-86, by comparison, they were spending 6 percent less than they earned. This trend toward credit use does not imply a decline in savings, however, because personal insurance and pension investments (a subcategory of "other expenses") increased by 16 percent.

By comparison, general population spending increased from 97 percent of disposable income to 98 percent, leaving the typical family in the black by 2 percent.

More generally, Hispanic families are spending more dollars in every major expense category, even after inflation of about 12 percent is taken into account.

The biggest jump—and one reflecting the greatest change in lifestyle—was in money spent for food eaten away from home. Expenditures on eating out increased by exactly 100 percent between the two survey periods, while money spent on food eaten at home declined 3 percent. General population spending on food eaten out increased only 59 percent during the same period, with a similar 3 percent cut in spending for food eaten at home.

Another major increase was in spending on home furnishings, which increased 66 percent, or 12 percent more than for the general population.

To determine how much the entire U.S. Hispanic market is spending, you can just divide any category of expenses by 3.4 to get individual spending, and then multiply by 22,354,059, which is the total U.S. Hispanic population as reported in the 1990 Census.

Want to see some really big numbers? Just do the math.

Annual Hispanic Consumer Expenditures

	$/Family*	
Expenditure Group	**1985-86**	**1988-89**
Total Expenditures	$18,069	$22,344
Food	3,425	4,114
Food at home	2,659	2,584
Food away from home	766	1,531
Housing	5,888	7,569
Shelter	3,696	4,717
Utilities, fuels, services	1,367	1,470
Furnishings, operations	826	1,372
Apparel and services	1,034	1,520
Transportation	3,682	3,820
Vehicle purchases	1,493	1,588
Gasoline, motor oil	914	810
Other expenses	1,273	1,422
Health Care	666	890
Entertainment	693	913
All other expenses	2,681	3,518

*Average size 3.4 persons

Source: U.S. Bureau of Labor Statistics "Consumer Expenditure Surveys" for 1985-86 and 1988-89. (Unpub.)

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